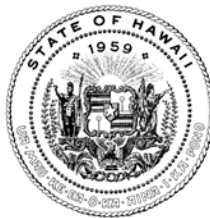


DAVID Y. IGE
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

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Testimony of
CARTY S. CHANG
Interim Chairperson

Before the House Committee on
WATER & LAND

Friday, February 13, 2015
10:00 AM
State Capitol, House Conference Room 325

In consideration of
HOUSE BILL 1168
RELATING TO THE BOATING SPECIAL FUND

House Bill 1168 proposes to authorize the Department of Land and Natural Resources' (Department) Division of Boating and Ocean Recreation (DOBOR) to use the Boating Special Fund to pay for the hiring of staff positions for the planning, development, management, operations, or maintenance of lands and improvements under DOBOR's control and management, including positions that are exempt from Chapter 76, Hawaii Revised Statutes. **The Department strongly supports this measure.**

DOBOR is responsible for managing all the State's small boat harbors and facilities and overseeing activities on the state's ocean waters, and DOBOR's boating special fund is the primary source of funding for its capital improvement projects, the repair and maintenance of its harbors and facilities, and its operations. DOBOR also controls public lands, improvements, and facilities that are grossly underutilized and could generate substantial revenues for the boating special fund. These public state lands and facilities are held in public trust for the benefit of the trust beneficiaries, and as the manager of these public assets, DOBOR has a fiscal responsibility and fiduciary duty to manage and utilize these lands to their highest and best use and in a manner that will best serve the trust beneficiaries, i.e., the general public. Allowing these public lands and facilities to remain underutilized would be detrimental to the boating public, the general public, and the taxpayers and would conflict with DOBOR's fiscal responsibility and fiduciary duty.

The State Legislature has recognized the need for DOBOR to put its underutilized lands to better use, and in 2011, the Legislature passed legislation that was enacted into law as Act 197 directing DOBOR "to lease fast lands and submerged lands at the Ala Wai Boat Harbor using the request for proposals process for the public-private partnership development, management, and operations of

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AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

areas of Ala Wai Boat Harbor.” The Legislature also passed legislation that was enacted into law as Act 153 (2011) to further facilitate DOBOR’s development of its lands by eliminating the need for special management area permits.

Real estate planning and development, however, is a unique field that requires specialized skills, experience, and expertise. While DOBOR’s existing staff has knowledge in boating and ocean recreation, it does not possess the necessary skills to effectuate the planning and development of DOBOR’s underutilized public lands and facilities. As such, DOBOR needs to hire new staff members that possess those special skills and expertise. Real estate planning and development, however, is not a traditional government function and therefore, positions requiring such experience and expertise cannot be obtained through DOBOR’s existing civil service positions or normal civil service recruitment procedures. House Bill 1168 would give DOBOR the ability to hire staff that possess the necessary experience and expertise to develop its lands and facilities.

For example, in order to comply with the directives of Act 197, DOBOR borrowed an existing exempt employee from another division within the Department. This exempt employee possessed over 20 years of private sector experience in the areas of real estate development, real estate law, and finance, which are all areas of expertise that DOBOR’s staff does not possess. This exempt employee on loan to DOBOR successfully: (1) drafted, issued and processed a request for proposals for certain lands at the Ala Wai Boat Harbor; (2) coordinated the review and selection of the developer; and, (3) negotiated agreements that have generated over \$1.1 million for DOBOR’s boating special fund and in-kind services valued at approximately \$2 million (e.g., land use entitlements, site work, and hazardous materials testing and remediation), all of which the exempt employee negotiated be done by the developer at no cost to the State or the taxpayers. As such, DOBOR is now seeking the ability to hire exempt staff members of its own who possess such real estate planning and development experience and expertise to work on other public state lands and facilities under DOBOR’s control.

For these reasons, the Department strongly supports this bill.

cullen4-Rachele

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 11, 2015 10:32 AM
To: waltestimony
Cc: glennshiroma@hawaiiantel.net
Subject: Submitted testimony for HB1168 on Feb 13, 2015 10:00AM

HB1168

Submitted on: 2/11/2015

Testimony for WAL on Feb 13, 2015 10:00AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Glenn Shiroma	Individual	Comments Only	No

Comments: DLNR, Division of Boating & Ocean Recreation to post annual summary financial statement of their operations on their website which have not done, recently.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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